

Edgar Filing: GROUP SIMEC SA DE CV - Form 6-K

GROUP SIMEC SA DE CV  
Form 6-K  
May 05, 2008

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER PURSUANT TO RULE 13a-16 OR 15d-16  
UNDER THE SECURITIES EXCHANGE ACT OF 1934

COMMISSION FILE NUMBER 1-11176

For the month of May, 2008.

Group Simec, Inc.

(Translation of Registrant's Name Into English)

Av. Lazaro Cardenas 601, Colonia la Nogalera, Guadalajara, Jalisco, Mexico 44440

(Address of principal executive office)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F  Form 40-F

Indicate by check mark whether the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b) (1)

Yes  No

Indicate by check mark whether the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b) (7)

Yes  No

Indicate by check mark whether the registrant by furnishing the information contained in this form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes  No

(If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b):

82-\_\_\_\_\_.)

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Company has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

GRUPO SIMEC, S.A.B. de C.V.

(Registrant)

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Date: May 5, 2008.

By: /s/ Luis Garcia Limon

-----  
 Name: Luis Garcia Limon  
 Title: Chief Executive Officer

## MEXICAN STOCK EXCHANGE SIFIC / ICS

STOCK EXCHANGE CODE: SIMEC  
 GRUPO SIMEC, S.A.B. DE C.V.

QUARTER: 4 YEAR:2007

### CONSOLIDATED FINANCIAL STATEMENT AT DECEMBER 31 OF 2007 AND 2006 (thousands of Mexican pesos)

AUDITED

| REF<br>S | CONCEPTS  | CURRENT YEAR |     |         |
|----------|---|--------------|-----|---------|
|          |   | AMOUNT       | %   | AMOUNT  |
| s01      | TOTAL ASSETS  | 22,841,257   | 100 | 18,042, |
| s02      | CURRENT ASSETS  | 14,453,755   | 63  | 9,871   |
| s03      | CASH AND SHORT-TERM INVESTMENTS   | 6,396,155    | 28  | 2,204   |
| s04      | ACCOUNTS AND NOTES RECEIVABLE (NET)                                     | 2,481,189    | 11  | 2,243   |
| s05      | OTHER ACCOUNTS AND NOTES RECEIVABLE                                     | 574,002      | 3   | 262     |
| s06      | INVENTORIES   | 4,930,404    | 22  | 5,052   |
| s07      | OTHER CURRENT ASSETS  | 72,005       | 0   | 108     |
| s08      | LONG-TERM   | 0            | 0   |         |
| s09      | ACCOUNTS AND NOTES RECEIVABLE (NET)                                     | 0            | 0   |         |
| s10      | INVESTMENT IN SHARES OF NON-CONSOLIDATED<br>SUBSIDIARIES AND ASSOCIATES | 0            | 0   |         |
| s11      | OTHER INVESTMENTS   | 0            | 0   |         |
| s12      | PROPERTY, PLANT AND EQUIPMENT (NET)                                     | 7,900,638    | 35  | 7,599   |
| s13      | LAND AND BULIDINGS  | 2,619,597    | 11  | 2,578   |
| s14      | MACHINERY AND INDUSTRIAL EQUIPMENT                                      | 8,992,073    | 39  | 8,077   |
| s15      | OTHER EQUIPMENT   | 109,237      | 0   | 116     |
| s16      | ACCUMULATED DEPRECIATION  | 4,016,312    | 18  | 3,299   |

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|   |            |     |         |
|---|------------|-----|---------|
| s17 CONSTRUCTION IN PROGRESS                          | 196,043    | 1   | 127     |
| s18 OTHER INTANGIBLE ASSETS AND DEFERRED ASSETS (NET) | 384,346    | 2   | 476     |
| s19 OTHER ASSETS                                      | 102,518    | 0   | 95      |
| s20 TOTAL LIABILITIES                                 | 5,589,223  | 100 | 5,082   |
| s21 CURRENT LIABILITIES                               | 2,860,124  | 51  | 2,907   |
| s22 SUPPLIERS   | 2,104,235  | 38  | 1,848   |
| s23 BANK LOANS  | 0          | 0   |         |
| s24 STOCK MARKET LOANS                                | 3,282      | 0   | 3       |
| s103 OTHER LOANS WITH COST                            | 0          | 0   |         |
| s25 TAXES PAYABLE                                     | 72,551     | 1   | 197     |
| s26 OTHER CURRENT LIABILITIES WITHOUT COST            | 680,056    | 12  | 857     |
| s27 LONG-TERM LIABILITIES                             | 0          | 0   |         |
| s28 BANK LOANS  | 0          | 0   |         |
| s29 STOCK MARKET LOANS                                | 0          | 0   |         |
| s30 OTHER LOANS WITH COST                             | 0          | 0   |         |
| s31 DEFERRED LIABILITIES                              | 0          | 0   |         |
| s32 OTHER NON-CURRENT LIABILITIES WITHOUT COST        | 2,729,099  | 49  | 2,174   |
| s33 CONSOLIDATED STOCKHOLDERS' EQUITY                 | 17,252,034 | 100 | 12,960  |
| s34 MINORITY INTEREST                                 | 2,390,179  | 14  | 2,252   |
| s35 MAJORITY INTEREST                                 | 14,861,855 | 86  | 10,707  |
| s36 CONTRIBUTED CAPITAL                               | 7,181,744  | 42  | 4,761   |
| S79 CAPITAL STOCK                                     | 4,030,427  | 23  | 3,763   |
| s39 PREMIUM ON ISSUANCE OF SHARES                     | 3,151,317  | 18  | 997     |
| s40 CONTRIBUTIONS FOR FUTURE CAPITAL INCREASES        | 0          | 0   |         |
| s41 EARNED CAPITAL                                    | 7,680,111  | 45  | 5,946   |
| s42 RETAINED EARNINGS AND CAPITAL RESERVES            | 8,550,179  | 50  | 7,021   |
| s44 OTHER ACCUMULATED COMPREHENSIVE RESULT            | (870,068)  | (5) | (1,074, |

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s80 SHARES REPURCHASED 0 0

MEXICAN STOCK EXCHANGE  
SIFIC / ICS

STOCK EXCHANGE CODE: SIMEC  
GRUPO SIMEC, S.A.B. DE C.V.

QUARTER: 4 YEAR:2007

CONSOLIDATED FINANCIAL STATEMENT  
BREAKDOWN OF MAIN CONCEPTS  
(thousands of Mexican pesos)

AUDITED

| REF<br>S | CONCEPTS  | CURRENT YEAR |     |         |
|----------|---|--------------|-----|---------|
|          |   | AMOUNT       | %   | AMOUNT  |
| s03      | CASH AND SHORT-TERM INVESTMENTS                   | 6,396,155    | 100 | 2,204,0 |
| s46      | CASH  | 301,766      | 5   | 395,2   |
| s47      | SHORT-TERM INVESTMENTS                            | 6,094,389    | 95  | 1,808,8 |
| s07      | OTHER CURRENT ASSETS                              | 72,005       | 100 | 108,3   |
| s81      | DERIVATIVE FINANCIAL INSTRUMENTS                  | 0            | 0   |         |
| s82      | DISCONTINUED OPERATIONS                           | 0            | 0   |         |
| s83      | OTHER   | 72,005       | 100 | 108,3   |
| s18      | OTHER INTANGIBLE ASSETS AND DEFERRED ASSETS (NET) | 384,346      | 100 | 476,8   |
| s48      | DEFERRED EXPENSES                                 | 332,737      | 87  | 427,9   |
| s49      | GOODWILL  | 36,258       | 9   |         |
| s51      | OTHER   | 15,351       | 4   | 48,8    |
| s19      | OTHER ASSETS                                      | 102,518      | 100 | 95,0    |
| s84      | INTANGIBLE ASSET FROM LABOR OBLIGATIONS           | 5,059        | 5   | 5,9     |
| s85      | DERIVATIVE FINANCIAL INSTRUMENTS                  | 0            | 0   |         |
| s50      | DEFERRED TAXES                                    | 0            | 0   |         |

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|  |           |     |         |
|--|-----------|-----|---------|
| s86 DISCONTINUED OPERATIONS                          | 0         | 0   |         |
| s87 OTHER  | 97,459    | 95  | 89,1    |
| s21 CURRENT LIABILITIES                              | 2,860,124 | 100 | 2,907,4 |
| s52 FOREIGN CURRENCY LIABILITIES                     | 2,348,357 | 82  | 2,223,8 |
| s53 MEXICAN PESOS LIABILITIES                        | 511,767   | 18  | 683,6   |
| s26 OTHER CURRENT LIABILITIES WITHOUT COST           | 680,056   | 100 | 857,3   |
| s88 DERIVATIVE FINANCIAL INSTRUMENTS                 | 0         | 0   | 6,3     |
| s89 INTEREST LIABILITIES                             | 3,952     | 1   | 6,8     |
| s68 PROVISIONS                                       | 0         | 0   |         |
| s90 DISCONTINUED OPERATIONS                          | 0         | 0   |         |
| s58 OTHER CURRENT LIABILITIES                        | 676,104   | 99  | 844,1   |
| s27 LONG-TERM LIABILITIES                            | 0         | 0   |         |
| s59 FOREIGN CURRENCY LIABILITIES                     | 0         | 0   |         |
| s60 MEXICAN PESOS LIABILITIES                        | 0         | 0   |         |
| s31 DEFERRED LIABILITIES                             | 0         | 0   |         |
| s65 NEGATIVE GOODWILL                                | 0         | 0   |         |
| s67 OTHER  | 0         | 0   |         |
| s32 OTHER NON CURRENT LIABILITIES WITHOUT COST       | 2,729,099 | 100 | 2,174,9 |
| s66 DEFERRED TAXES                                   | 2,672,480 | 98  | 2,081,7 |
| s91 OTHER LIABILITIES IN RESPECT OF SOCIAL INSURANCE | 18,422    | 1   | 23,1    |
| s92 DISCONTINUED OPERATIONS                          | 0         | 0   |         |
| s69 OTHER LIABILITIES                                | 38,197    | 1   | 70,1    |
| s79 CAPITAL STOCK                                    | 4,030,427 | 100 | 3,763,4 |
| s37 CAPITAL STOCK (NOMINAL)                          | 2,307,961 | 57  | 2,048,2 |
| s69 RESTATEMENT OF CAPITAL STOCK                     | 1,722,466 | 43  | 1,715,1 |

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MEXICAN STOCK EXCHANGE  
SIFIC / ICS

STOCK EXCHANGE CODE: SIMEC  
GRUPO SIMEC, S.A.B. DE C.V.

QUARTER: 4 YEAR:2007

CONSOLIDATED FINANCIAL STATEMENT  
BREAKDOWN OF MAIN CONCEPTS  
(thousands of Mexican pesos)

AUDITED

| REF<br>S | CONCEPTS  | CURRENT YEAR |       | P         |
|----------|---|--------------|-------|-----------|
|          |   | AMOUNT       | %     |           |
| s42      | RETAINED EARNINGS AND CAPITAL RESERVES                  | 8,550,179    | 100   | 7,021,1   |
| s93      | LEGAL RESERVE   | 0            | 0     |           |
| s43      | RESERVE FOR REPURCHASE OF SHARES                        | 200,612      | 2     | 200,6     |
| s94      | OTHER RESERVES  | 0            | 0     |           |
| s95      | RETAINED EARNINGS                                       | 6,820,510    | 80    | 4,641,8   |
| s45      | NET INCOME FOR THE YEAR                                 | 1,529,057    | 18    | 2,178,6   |
| s44      | OTHER ACCUMULATED COMPREHENSIVE RESULT                  | (870,068)    | 00)   | (1,074,26 |
| s70      | ACCUMULATED MONETARY RESULT                             | 0            | 0     |           |
| s71      | RESULT FROM HOLDING NON-MONETARY ASSETS                 | 132,155      | 15    | (73,65    |
| s96      | CUMULATIVE RESULT FROM FOREIGN CURRENCY TRANSLATION     | (31,710)     | (4)   | (25,53    |
| s97      | CUMULATIVE RESULT FROM DERIVATIVE FINANCIAL INSTRUMENTS | 0            | 0     | (4,55     |
| s98      | CUMULATIVE EFFECT OF DEFERRED INCOME TAXES              | (970,513)    | (112) | (970,     |
| s99      | LABOR OBLIGATION ADJUSTMENT                             | 0            | 0     |           |
| s100     | OTHER   | 0            | 0     |           |

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MEXICAN STOCK EXCHANGE  
SIFIC / ICS

STOCK EXCHANGE CODE: SIMEC  
GRUPO SIMEC, S.A.B. DE C.V.

QUARTER: 4 YEAR:2007

BALANCE SHEETS  
OTHER CONCEPTS  
(thousands of Mexican pesos)

AUDITED

| REF<br>S | CONCEPTS                               | CURRENT YEAR<br><br>AMOUNT | PREVIOUS YEAR<br><br>AMOUNT |
|----------|--|----------------------------|-----------------------------|
| S72      | WORKING CAPITAL                        | 11,593,631                 | 6,963,547                   |
| S73      | PENSIONS FUND AND SENIORITY PREMIUMS   | 0                          | 0                           |
| S74      | EXECUTIVES (*)                         | 51                         | 54                          |
| S75      | EMPLOYERS (*)                          | 1,190                      | 1,137                       |
| S76      | WORKERS (*)                            | 3,196                      | 2,862                       |
| S77      | COMMON SHARES (*)                      | 474,621,611                | 421,214,706                 |
| S78      | REPURCHASED SHARES (*)                 | 0                          | 0                           |
| S101     | RESTRICTED CASH                        | 0                          | 0                           |
| S102     | NET DEBT OF NON CONSOLIDATED COMPANIES | 0                          | 238,555                     |

(\*) THESE ITEMS SHOULD BE EXPRESSED IN UNITS

MEXICAN STOCK EXCHANGE  
SIFIC / ICS

STOCK EXCHANGE CODE: SIMEC  
GRUPO SIMEC, S.A.B. DE C.V.

QUARTER: 4 YEAR:2007

STATEMENTS OF INCOME  
FROM JANUARY 1 TO DECEMBER 31 OF 2007 AND 2006  
(thousands of Mexican pesos)

AUDITED

| REF<br>R | CATEGORIES | CURRENT YEAR |
|----------|------------|--------------|
|----------|------------|--------------|

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|     |  | AMOUNT     | %   |
|-----|--|------------|-----|
| r01 | NET SALES  | 24,106,094 | 100 |
| r02 | COST OF SALES  | 20,498,918 | 85  |
| r03 | GROSS PROFIT   | 3,607,176  | 15  |
| r04 | OPERATING EXPENSES   | 1,423,159  | 6   |
| r05 | OPERATING INCOME   | 2,184,017  | 9   |
| r08 | OTHER INCOME AND (EXPENSE), NET                                      | 21,329     | 0   |
| r06 | COMPREHENSIVE FINANCING RESULT                                       | 40,503     | 0   |
| r12 | EQUITY IN NET INCOME OF NON-CONSOLIDATED SUBSIDIARIES AND ASSOCIATES | 0          | 0   |
| r48 | NON ORDINARY ITEMS   | 0          | 0   |
| r09 | INCOME BEFORE INCOME TAXES   | 2,245,849  | 9   |
| r10 | INCOME TAXES   | 620,674    | 3   |
| r11 | INCOME (LOSS) BEFORE DISCONTINUED OPERATIONS                         | 1,625,175  | 7   |
| r14 | DISCONTINUED OPERATIONS  | 0          | 0   |
| r18 | NET CONSOLIDATED INCOME  | 1,625,175  | 7   |
| r19 | NET INCOME OF MINORITY INTEREST                                      | 96,118     | 0   |
| r20 | NET INCOME OF MAJORITY INTEREST                                      | 1,529,057  | 6   |

MEXICAN STOCK EXCHANGE  
SIFIC / ICS

STOCK EXCHANGE CODE: SIMEC  
GRUPO SIMEC, S.A.B. DE C.V.

QUARTER: 4 YEAR:2007

STATEMENTS OF INCOME  
BREAKDOWN OF MAIN CONCEPTS  
(thousands of Mexican pesos)

AUDITED

| REF | CONCEPTS  | CURRENT YEAR |     | PREVIOUS YEAR |
|-----|-----------|--------------|-----|---------------|
| R   |           | AMOUNT       | %   | AMOUNT        |
| r01 | NET SALES | 24,106,094   | 100 | 23,515,297    |



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|     |                                     |            |       |            |
|-----|-------------------------------------|------------|-------|------------|
| r21 | DOMESTIC                            | 7,075,267  | 29    | 7,575,777  |
| r22 | FOREIGN                             | 17,030,827 | 71    | 15,939,520 |
| r23 | TRANSLATED INTO DOLLARS (***)       | 1,564,695  |       | 1,411,601  |
| r08 | OTHER INCOME AND (EXPENSE), NET     | 21,329     | 100   | 39,205     |
| r49 | OTHER INCOME AND (EXPENSE), NET     | 21,329     | 100   | 39,205     |
| r34 | EMPLOYEES' PROFIT SHARING EXPENSES  | 0          | 0     | 0          |
| r35 | DEFERRED EMPLOYEES' PROFIT SHARING  | 0          | 0     | 0          |
| r06 | COMPREHENSIVE FINANCING RESULT      | 40,503     | 100   | (63,444)   |
| r24 | INTEREST EXPENSE                    | 24,585     | (61)  | 15,518     |
| r42 | GAIN (LOSS) ON RESTATEMENT OF UDI'S | 0          | 0     | 0          |
| r45 | OTHER FINANCE COSTS                 | 0          | 0     | 0          |
| r26 | INTEREST INCOME                     | 297,898    | 735   | 62,450     |
| r46 | OTHER FINANCIAL PRODUCTS            | 0          | 0     | 0          |
| r25 | FOREIGN EXCHANGE GAIN (LOSS), NET   | (37,879)   | (94)  | (37,424)   |
| r28 | RESULT FROM MONETARY POSITION       | (194,931)  | (481) | (72,952)   |
| r10 | INCOME TAXES                        | 620,674    | 100   | 608,721    |
| r32 | INCOME TAX                          | 111,522    | 18    | 627,612    |
| r33 | DEFERRED INCOME TAX                 | 509,152    | 82    | (18,891)   |

(\*\*\*) THOUSANDS OF DOLLARS

MEXICAN STOCK EXCHANGE  
SIFIC / ICS

STOCK EXCHANGE CODE: SIMEC  
GRUPO SIMEC, S.A.B. DE C.V.

QUARTER: 4 YEAR:2007

STATEMENTS OF INCOME  
OTHER CONCEPTS  
(thousands of Mexican pesos)

AUDITED

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| REF<br>R | CONCEPTS                                | CURRENT YEAR<br>AMOUNT | PREVIOUS YEAR<br>AMOUNT |
|----------|---|------------------------|-------------------------|
| r36      | TOTAL SALES                             | 24,593,431             | 24,178,7                |
| r37      | TAX RESULT FOR THE YEAR                 | 0                      |                         |
| r38      | NET SALES (**)                          | 24,106,094             | 23,515,2                |
| r39      | OPERATION INCOME (**)                   | 2,184,017              | 3,031,7                 |
| r40      | NET INCOME OF MAJORITY INTEREST (**)    | 1,529,057              | 2,178,6                 |
| r41      | NET CONSOLIDATED INCOME (**)            | 1,625,175              | 2,398,7                 |
| r47      | OPERATIVE DEPRECIATION AND AMORTIZATION | 549,256                | 449,7                   |

(\*\*) RESTATED INFORMATION FOR THE LAST TWELVE MONTHS

MEXICAN STOCK EXCHANGE  
SIFIC / ICS

STOCK EXCHANGE CODE: SIMEC  
GRUPO SIMEC, S.A.B. DE C.V.

QUARTER: 4 YEAR:2007

QUARTERLY STATEMENTS OF INCOME  
FROM SEPTEMBER 1 TO DECEMBER 31 OF 2007 AND 2006  
(thousands of Mexican pesos)

AUDITED

| REF<br>R | CATEGORIES                      | CURRENT YEAR<br>AMOUNT | %   |
|----------|---------------------------------|------------------------|-----|
| rt01     | NET SALES                       | 5,824,351              | 100 |
| rt02     | COST OF SALES                   | 5,435,842              | 93  |
| rt03     | GROSS PROFIT                    | 388,509                | 7   |
| rt04     | OPERATING EXPENSES              | 352,024                | 6   |
| rt05     | OPERATING INCOME                | 36,485                 | 1   |
| rt08     | OTHER INCOME AND (EXPENSE), NET | (24,331)               | 0   |
| rt06     | COMPREHENSIVE FINANCING RESULT  | (167,318)              | (3) |

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|      |  |           |     |
|------|--|-----------|-----|
| rt12 | EQUITY IN NET INCOME OF NON-CONSOLIDATED SUBSIDIARIES AND ASSOCIATES | 0         | 0   |
| rt48 | NON ORDINARY ITEMS   | 0         | 0   |
| rt09 | INCOME BEFORE INCOME TAXES   | (155,164) | (3) |
| rt10 | INCOME TAXES   | (119,559) | (2) |
| rt11 | INCOME (LOSS) BEFORE DISCONTINUED OPERATIONS                         | (35,605)  | 0   |
| rt14 | DISCONTINUED OPERATIONS  | 0         | 0   |
| rt18 | NET CONSOLIDATED INCOME  | (35,605)  | 0   |
| rt19 | NET INCOME OF MINORITY INTEREST                                      | (140,009) | (2) |
| rt20 | NET INCOME OF MAJORITY INTEREST                                      | 104,404   | 2   |

MEXICAN STOCK EXCHANGE  
SIFIC / ICS

STOCK EXCHANGE CODE: SIMEC  
GRUPO SIMEC, S.A.B. DE C.V.

QUARTER: 4 YEAR:2007

QUARTERLY STATEMENTS OF INCOME  
BREAKDOWN OF MAIN CONCEPTS  
(thousands of Mexican pesos)

AUDITED

| REF<br>R | CONCEPTS                           | CURRENT YEAR |     | PREVIOUS  |
|----------|------------------------------------|--------------|-----|-----------|
|          |                                    | AMOUNT       | %   | AMOUNT    |
| rt01     | NET SALES                          | 5,824,351    | 100 | 4,898,726 |
| rt21     | DOMESTIC                           | 1,559,961    | 27  | 2,085,359 |
| rt22     | FOREIGN                            | 4,264,390    | 73  | 2,813,367 |
| rt23     | TRANSLATED INTO DOLLARS (***)      | 420,709      |     | 293,798   |
| rt08     | OTHER INCOME AND (EXPENSE), NET    | (24,331)     | 100 | 10,683    |
| rt49     | OTHER INCOME AND (EXPENSE), NET    | (24,331)     | 100 | 10,683    |
| rt34     | EMPLOYEES' PROFIT SHARING EXPENSES | 0            | 0   | 0         |
| rt35     | DEFERRED EMPLOYEES' PROFIT SHARING | 0            | 0   | 0         |

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|      |                                     |           |       |          |
|------|-------------------------------------|-----------|-------|----------|
| rt06 | COMPREHENSIVE FINANCING RESULT      | (167,318) | 100   | (53,614) |
| rt24 | INTEREST EXPENSE                    | 5,120     | (3)   | 6,144    |
| rt42 | GAIN (LOSS) ON RESTATEMENT OF UDI'S | 0         | 0     | 0        |
| rt45 | OTHER FINANCE COSTS                 | 0         | 0     | 0        |
| rt26 | INTEREST INCOME                     | 60,589    | 36    | 23,178   |
| rt46 | OTHER FINANCIAL PRODUCTS            | 0         | 0     | 0        |
| rt25 | FOREIGN EXCHANGE GAIN (LOSS), NET   | (35,465)  | (21)  | (20,256) |
| rt28 | RESULT FROM MONETARY POSITION       | (187,322) | (112) | (50,392) |
| rt10 | INCOME TAXES                        | (119,559) | 100   | 247,449  |
| rt32 | INCOME TAX                          | (158,241) | (132) | 98,360   |
| rt33 | DEFERRED INCOME TAX                 | 38,682    | 32    | 149,089  |

(\*\*\*) THOUSANDS OF DOLLARS

MEXICAN STOCK EXCHANGE  
SIFIC / ICS

STOCK EXCHANGE CODE: SIMEC  
GRUPO SIMEC, S.A.B. DE C.V.

QUARTER: 4 YEAR:2007

QUARTERLY STATEMENTS OF INCOME  
OTHER CONCEPTS  
(thousands of Mexican pesos)

AUDITED

| REF<br>RT | CONCEPTS   | CURRENT YEAR<br>AMOUNT | PREVIOUS<br>AMOUNT |
|-----------|--|------------------------|--------------------|
| rt47      | OPERATIVE DEPRECIATION AND ACCUMULATED IMPAIRMENT LOSSES | 169,880                | 119,1              |

MEXICAN STOCK EXCHANGE  
SIFIC / ICS

STOCK EXCHANGE CODE: SIMEC  
GRUPO SIMEC, S.A.B. DE C.V.

QUARTER: 4 YEAR:2007

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STATEMENTS OF CHANGES IN FINANCIAL POSITION  
FROM JANUARY 1 TO DECEMBER 31 OF 2007 AND 2006  
(thousands of pesos)

AUDITED

| REF<br>C | CONCEPTS  | CURRENT YEAR<br><br>AMOUNT |
|----------|---|----------------------------|
| c01      | CONSOLIDATED NET INCOME   | 1,625,175                  |
| c02      | + (-) ITEMS ADDED TO INCOME WHICH DO NOT REQUIRE CASH             | 1,062,983                  |
| c03      | RESOURCES FROM NET INCOME FOR THE YEAR                            | 2,688,158                  |
| c04      | RESOURCES PROVIDED OR USED IN OPERATION                           | (304,274)                  |
| c05      | RESOURCES PROVIDED BY (USED FOR) OPERATING ACTIVITIES             | 2,383,884                  |
| c06      | RESOURCES PROVIDED BY (USED FOR) EXTERNAL FINANCING<br>ACTIVITIES | (128,292)                  |
| c07      | RESOURCES PROVIDED BY (USED FOR) INTERNAL FINANCING<br>ACTIVITIES | 2,420,726                  |
| c08      | RESOURCES PROVIDED BY (USED FOR) INTERNAL FINANCING<br>ACTIVITIES | 2,292,434                  |
| c09      | RESOURCES PROVIDED BY (USED FOR) INVESTMENT ACTIVITIES            | (484,181)                  |
| c10      | NET INCREASE (DECREASE) IN CASH AND SHORT-TERM INVESTMENTS        | 4,192,137                  |
| c11      | CASH AND SHORT-TERM INVESTMENTS AT THE BEGINNING OF PERIOD        | 2,204,018                  |
| c12      | CASH AND SHORT TERM INVESTMENTS AT THE END OF PERIOD              | 6,396,155                  |

MEXICAN STOCK EXCHANGE  
SIFIC / ICS

STOCK EXCHANGE CODE: SIMEC  
GRUPO SIMEC, S.A.B. DE C.V.

QUARTER: 4 YEAR:2007

STATEMENTS OF CHANGES IN FINANCIAL POSITION  
BREAKDOWN OF MAIN CONCEPTS  
(thousands of pesos)

AUDITED

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| REF<br>C | CONCEPTS  | CURRENT YEAR<br><br>AMOUNT |
|----------|---|----------------------------|
| c02      | + (-) ITEMS ADDED TO INCOME WHICH DO NOT REQUIRE CASH             | 1,062,983                  |
| c13      | DEPRECIATION AND AMORTIZATION FOR THE YEAR                        | 549,256                    |
| c41      | + (-) OTHER ITEMS   | 513,727                    |
| c04      | RESOURCES PROVIDED OR USED IN OPERATION                           | (304,274)                  |
| c18      | + (-) DECREASE (INCREASE) IN ACCOUNTS RECEIVABLE                  | (237,795)                  |
| c19      | + (-) DECREASE (INCREASE) IN INVENTORIES                          | 123,835                    |
| c20      | + (-) DECREASE (INCREASE) IN OTHER ACCOUNTS RECEIVABLE            | (274,808)                  |
| c21      | + (-) INCREASE (DECREASE) IN SUPPLIERS                            | 255,378                    |
| c22      | + (-) INCREASE (DECREASE) IN OTHER LIABILITIES                    | (170,884)                  |
| c06      | RESOURCES PROVIDED BY (USED FOR) EXTERNAL FINANCING<br>ACTIVITIES | (128,292)                  |
| c23      | + BANK FINANCING  | 0                          |
| c24      | + STOCK MARKET FINANCING  | (124)                      |
| c25      | + DIVIDEND RECEIVED   | 0                          |
| c26      | OTHER FINANCING   | 0                          |
| c27      | BANK FINANCING AMORTIZATION                                       | 0                          |
| c28      | (-) STOCK MARKET FINANCING AMORTIZATION                           | 0                          |
| c29      | (-) OTHER FINANCING AMORTIZATION                                  | (128,168)                  |
| c42      | + (-) OTHER ITEMS   | 0                          |
| C07      | RESOURCES PROVIDED BY (USED FOR) INTERNAL FINANCING<br>ACTIVITIES | 2,420,726                  |
| c30      | + (-) INCREASE (DECREASE) IN CAPITAL STOCK                        | 267,015                    |
| c31      | (-) DIVIDENDS PAID  | 0                          |
| c32      | + PREMIUM ON ISSUANCE OF SHARES                                   | 2,153,711                  |
| c33      | + CONTRIBUTION FOR FUTURE CAPITAL INCREASES                       | 0                          |

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|     |  |           |
|-----|--|-----------|
| c43 | + (-) OTHER ITEMS                                      | 0         |
| c09 | RESOURCES PROVIDED BY (USED FOR) INVESTMENT ACTIVITIES | (484,181) |
| c34 | + (-) DECREASE (INCREASE) IN PERMANENT INVESTMENTS     | 0         |
| c35 | (-) ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT       | (485,668) |
| c36 | (-) INCREASE IN CONSTRUCTION PROGRESS                  | 0         |
| c37 | + SALE OF OTHER PERMANENT INVESTMENTS                  | 0         |
| c38 | + SALE OF TANGIBLE FIXED ASSETS                        | 0         |
| c39 | + (-) OTHER ITEMS                                      | 1,487     |

MEXICAN STOCK EXCHANGE  
SIFIC / ICS

STOCK EXCHANGE CODE: SIMEC  
GRUPO SIMEC, S.A.B. DE C.V.

QUARTER: 4 YEAR:2007

DATE PER SHARE  
CONSOLIDATED

UDITED

| REF<br>D | CATEGORIES  | QUARTER OF PRESENT<br>FINANCIAL YEAR |
|----------|---|--------------------------------------|
| d01      | BASIC PROFIT PER ORDINARY SHARE (**)                                    | \$ 3.27                              |
| d02      | BASIC PROFIT PER PREFERRED SHARE (**)                                   | \$ 0.00                              |
| d03      | DILUTED PROFIT PER ORDINARY SHARE (**)                                  | \$ 0.00                              |
| d04      | EARNINGS (LOSS) BEFORE DISCONTINUED OPERATIONS PER COMMON<br>SHARE (**) | \$ 3.27                              |
| d05      | DISCONTINUED OPERATIONS EFFECT ON EARNING (LOSS) PER SHARE<br>(**)      | \$ 0.00                              |
| d08      | CARRYING VALUE PER SHARE  | \$31.31                              |
| d09      | CASH DIVIDEND ACCUMULATED PER SHARE                                     | \$ 0.00                              |
| d10      | DIVIDEND IN SHARES PER SHARE  | 0.00 shares                          |
| d11      | MARKET PRICE TO CARRYING VALUE  | 1.24 times                           |

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|     |   |             |
|-----|---|-------------|
| d12 | MARKET PRICE TO BASIC PROFIT PER ORDINARY SHARE       | 11.84 times |
| d13 | MARKET PRICE TO BASIC PROFIT PER PREFERENT SHARE (**) | 0.00 times  |

(\*\*) TO CALCULATE THE DATE PER SHARE USE THE NET INCOME FOR THE LAST TWELVE MONTHS.

MEXICAN STOCK EXCHANGE  
SIFIC / ICS

STOCK EXCHANGE CODE: SIMEC  
GRUPO SIMEC, S.A.B. DE C.V.

QUARTER: 4 YEAR:2007

RATIOS  
CONSOLIDATED

AUDITED

| REF<br>P | CATEGORIES | QUARTER OF PRESENT<br>FINANCIAL YEAR |
|----------|------------|--------------------------------------|
|----------|------------|--------------------------------------|

YIELD

|     |   |          |
|-----|---|----------|
| p01 | NET INCOME TO NET SALES                       | 6.74%    |
| p02 | NET INCOME TO STOCKHOLDERS' EQUITY (**)       | 10.29%   |
| p03 | NET INCOME TO TOTAL ASSETS (**)               | 7.12%    |
| p04 | CASH DIVIDENDS TO PREVIOUS YEAR NET INCOME    | 0.00%    |
| p05 | INCOME DUE TO MONETARY POSITION TO NET INCOME | (11.99)% |

ACTIVITY

|     |   |            |
|-----|---|------------|
| p06 | NET SALES TO NET ASSETS (**)                      | 1.06 times |
| p07 | NET SALES TO FIXED ASSETS (**)                    | 3.05 times |
| p08 | INVENTORIES TURNOVER (**)                         | 4.16 times |
| p09 | ACCOUNTS RECEIVABLE IN DAYS OF SALES              | 32 days    |
| p10 | PAID INTEREST TO TOTAL LIABILITIES WITH COST (**) | 749.09%    |

LEVERAGE

|     |                                   |        |
|-----|-----------------------------------|--------|
| p11 | TOTAL LIABILITIES TO TOTAL ASSETS | 24.47% |
|-----|-----------------------------------|--------|



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|     |   |             |
|-----|---|-------------|
| p12 | TOTAL LIABILITIES TO STOCKHOLDERS' EQUITY         | 0.32 times  |
| p13 | FOREIGN CURRENCY LIABILITIES TO TOTAL LIABILITIES | 42.02%      |
| p14 | LONG-TERM LIABILITIES TO FIXED ASSETS             | 0.00%       |
| p15 | OPERATING INCOME TO INTEREST PAID                 | 88.84 times |
| p16 | NET SALES TO TOTAL LIABILITIES (**)               | 4.31 times  |

LIQUIDITY

|     |  |            |
|-----|--|------------|
| p17 | CURRENT ASSETS TO CURRENT LIABILITIES                | 5.05 times |
| p18 | CURRENT ASSETS LESS INVENTORY TO CURRENT LIABILITIES | 3.33 times |
| p19 | CURRENT ASSETS TO TOTAL LIABILITIES                  | 2.59 times |
| p20 | AVAILABLE ASSETS TO CURRENT LIABILITIES              | 223.63%    |

CASH FLOW

|     |  |             |
|-----|--|-------------|
| p21 | RESOURCES FROM NET INCOME TO NET SALES                           | 11.15%      |
| p22 | RESOURCES FROM CHANGES IN WORKING CAPITAL TO NET SALES           | (1.26)%     |
| p23 | RESOURCES GENERATED (USED) IN OPERATING TO INTEREST PAID         | 96.96 times |
| p24 | EXTERNAL FINANCING TO RESOURCES PROVIDED BY (USED FOR) FINANCING | (5.60)%     |
| p25 | INTERNAL FINANCING TO RESOURCES PROVIDED (USED FOR) FINANCING    | 105.60%     |
| p26 | RESOURCES PROVIDED BY (USED FOR) INVESTMENT ACTIVITIES           | 100.31%     |

(\*\*) IN THESE RATIOS FOR THE DATA TAKE INTO CONSIDERATION THE LAST TWELVE MONTHS

MEXICAN STOCK EXCHANGE  
SIFIC / ICS

STOCK EXCHANGE CODE: SIMEC  
GRUPO SIMEC, S.A.B. DE C.V.

QUARTER: 4 YEAR: 2007

DIRECTOR REPORT

AUDITED

CONSOLIDATED

Grupo Simec, S.A.B. de C.V. ("Simec") announced today its final audited results of operations for the year ended December 31, 2007.

Acquisition of Corporacion Aceros DM, S.A. de C.V. On February 21, 2008, Simec executed an agreement to acquire 100% of the shares of Corporacion Aceros DM, S.A. de C.V. and certain of its affiliates ("Grupo San"). Grupo San is a long

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products steel mini-mill and the second-largest corrugated rebar producer in Mexico. Grupo San's operations are based in San Luis Potosi, Mexico. Its plants and its 1,457 employees rely on cutting edge technology to produce 700 thousand tons of finished products annually.

With this acquisition, Simec and Industrias CH, S.A. de C.V. ("ICH") position themselves as the second largest producers of rebar and the largest steel producers in Mexico, with a production capacity of approximately 4.5 million tons of liquid steel and 3.8 million tons of finished products. With this strategic acquisition, Simec and ICH will achieve a more diversified product mix and sales mix, with 50% of sales in Mexico and 50% outside Mexico, both of which will allow them to better address the natural cycles of the steel industry at the domestic and global levels. Additionally, Simec and ICH have already identified significant synergies and economies of scale that will increase Simec's operating margins. Grupo San's central location in Mexico, where Simec and ICH are not currently present, also represents a strong competitive advantage since it provides several strategic benefits mainly related to distribution given its proximity to Mexico's main cities, sea ports, and borders. In addition, Grupo San has aggressive expansion plans in its corrugated rebar business, which ICH and Simec will support and promote to satisfy the growing demand for this product resulting from the Mexican Government's aggressive infrastructure plan.

Simec, the main subsidiary of ICH, will acquire 100% of the shares of Grupo San. The transaction is valued at 850 million U.S. dollars, 85% of which will be paid with cash generated by the company's operations and by the company's stock public offering, which took place in February 2007. This acquisition confirms the growth strategy that has characterized ICH, reaffirming its position as a consolidator in the steel sector.

This acquisition is subject to the approval of Mexico's federal competition commission, Comision Federal de Competencia, as well as Simec's shareholders' meeting. Grupo San's shareholders were advised by Lehman Brothers, Inc. and by the law office of Galicia y Robles, S.C. Simec was represented by the law office of Mijares, Angoitia, Cortes y Fuentes, S.C.

Year Ended December 31, 2007 compared to Year Ended December 31, 2006

### Net Sales

Net sales increased 3% to Ps. 24,106 million in 2007 compared to Ps. 23,515 million in 2006. Shipments of finished steel products increased 0.5% to 2,693 thousand tons in 2007 compared to 2,673 thousand tons in 2006. Total sales outside of Mexico in 2007 increased 7% to Ps. 17,031 million compared with Ps. 15,939 million in 2006, while total Mexican sales decreased 7% from 7,576 million in 2006 to Ps. 7,075 million in 2007. The increase in sales can be explained by higher shipments during 2007, compared with 2006 (14,000 tons increase). The increase in tons shipped originated mainly in the plant of Apizaco and compensated for the two unexpected stoppages in the rolling lines of the plants in Guadalajara and

Apizaco due during the periods July 5-8, July 10-13, and September 10-15, as a result of the shortage of natural gas due to the explosions on the property of Petroleos Mexicanos.

### Direct Cost of Sales

Direct cost of sales increased 7% from Ps. 19,132 million in 2006 to Ps. 20,499 million in 2007. Direct cost of sales as a percentage of net sales represented 85% in 2007 compared to 81% in 2006. The increase in the Direct Cost of Sales is

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attributable mainly to an increase of 6% in real terms in the average cost of raw materials used to produce steel products in 2007 versus 2006, primarily as a result of increases in the price of scrap and certain other raw materials and an increase in the labor costs per ton sold, due to the three unexpected stoppages in the rolling lines of the plants in Guadalajara and Apizaco due during the periods July 5-8, July 10-13, and September 10-15, as a result from the shortage in natural gas due to the explosions on the property of Petroleos Mexicanos.

### Gross Profit

Gross profit in 2007 decreased 18% to Ps. 3,607 million compared to Ps. 4,383 million in 2006. Gross profit as a percentage of net sales in 2007 was 15% compared to 19% in 2006. The decline in gross profit is due to the increase in cost of goods sold due to the reasons previously mentioned.

### Operating Expenses

Operating expenses increased 5% to Ps. 1,423 million in 2007 compared to Ps. 1,351 million in 2006 (depreciation and amortization increased Ps. 99 million in 2007 compared to 2006) but remained stable at 6% of net sales.

### Operating Profit

Operating profit decreased 28% from Ps. 3,032 million in 2006 to Ps. 2,184 million in 2007. Operating profit as a percentage of net sales was 9% in 2007 compared to 13% in 2006. The decline in operating profit is due to the increase in cost of goods sold due to the reasons previously mentioned.

### Comprehensive Financial Cost

Comprehensive financial cost in 2007 represented a gain of Ps. 40 million compared with a expense of Ps. 63 million in 2006. Net interest income was Ps. 273 million in 2007, compared with Ps. 47 million in 2006 due to larger cash balances during this year partly reflecting our recent capital increase in February 2007. At the same time we registered an exchange loss of Ps. 38 million in 2007 compared with an exchange loss of Ps. 37 million in 2006, reflecting a 0.1% decrease in the value of the peso versus the dollar in 2007 compared to 2006. Simec recorded a loss from monetary position of Ps. 195 million in 2007 compared to a loss from monetary position of Ps. 73 million in 2006, reflecting the domestic inflation rate of 3.6% in 2007 as compared to a 4% inflation rate in 2006.

### Other Expenses (Income) net

The company recorded other income net of Ps. 21 million in 2007 compared to other income net for Ps. 39 million in 2006.

### Income Tax

Income Tax recorded Ps. 620 million in 2007 compared to Ps. 609 million in 2006. In 2006, we amortized Ps. 364 million of our deferred credit which is non-taxable income. This does not affect the cash flow.

### Net Profit

As a result of the foregoing, net profit decreased by 32% to Ps. 1,625 million in 2007 from Ps. 2,399 million in 2006.

### Liquidity and Capital Resources

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At December 31, 2007, Simec's total consolidated debt consisted of U.S. \$302,000 of 8 7/8% medium-term notes ("MTN's") due 1998 (accrued interest at December 31, 2007 was U.S. \$363,703 dollars). At December 31, 2006, Simec's total consolidated debt consisted of U.S. \$302,000 of 8 7/8% medium-term notes ("MTN's") due 1998 (accrued interest at December 31, 2006 was U.S. \$336,525 dollars).

Net resources provided by operations were Ps. 2,384 million in 2007 versus Ps. 2,434 million of net resources provided by operations in 2006. Net resources provided by financing activities were Ps. 2,292 million in 2007 (which amount includes the capital increase of Ps. 2,421 million in February 2007) versus Ps. 467 million of net resources used by financing activities in 2006. Net resources used in investing activities (to acquire property, plant and equipment, other non-current assets and liabilities) were Ps. 484 million in 2007 versus net resources provided by investing activities (to acquire property, plant and equipment, other non-current assets and liabilities and proceeds for insurance claim) of Ps. 13 million in 2006.

Comparative fourth quarter 2007 vs third quarter 2007

### Net Sales

Net sales increased 2% from Ps. 5,737 million for the third quarter 2007 to Ps. 5,824 million for the fourth quarter 2007. Sales in tons of finished steel products increased 7% to 675 thousand tons in the fourth quarter 2007 compared with 635 thousand tons in the third quarter 2007. The total sales outside of Mexico for the fourth quarter 2007 increased 6% to Ps. 4,264 million compared with Ps. 4,038 million for the third quarter 2007. Total Mexican sales decreased from Ps. 1,699 million in the third quarter 2007 to Ps. 1,560 millions in the fourth quarter 2007. Prices of finished products sold in the fourth quarter 2007 decreased approximately 4% in real terms compared to the third quarter 2007.

### Direct Cost of Sales

Direct cost of sales increased 10% from Ps. 4,937 million in the third quarter 2007 to Ps. 5,436 million for the fourth quarter 2007. In the fourth quarter 2007, the direct cost of sales represented 93% of net sales compared to 86% for the third quarter 2007. The average cost of raw materials used to produce steel products increased 4% in real terms in the fourth quarter 2007 versus the third quarter 2007, primarily as a result of increases in the price of scrap and certain other raw materials.

### Gross Profit

Gross profit for the fourth quarter 2007 decreased 52% to Ps. 388 million compared to Ps. 800 million in the third quarter 2007. Gross profit as a percentage of net sales for the fourth quarter 2007 was 7% compared with 14% for the third quarter 2007. The decline in gross profit is due to the increase in the average cost of raw materials to produce steel products due to the reasons previously mentioned.

### Operating Expenses

Operating expenses were Ps. 352 million in the fourth quarter 2007 compared to Ps. 354 million for the third quarter 2007. As a percentage of sales, operating expense represented 6% during the fourth quarter of 2007 compared to 6% in the third quarter of 2007.

### Operating Profit

Operating profit decreased 92% from Ps. 446 million in the third quarter 2007 to Ps. 36 million for the fourth quarter 2007. Operating profit as a percentage of

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net sales decreased to 1% in the fourth quarter 2007 from 8% in the third quarter 2007. This was due to an increase of 4% in the average cost of raw materials.

### Comprehensive Financial Cost

Comprehensive financial cost for the fourth quarter 2007 represented an expense of Ps. 167 million compared with an income of Ps. 91 million for the third quarter 2007. Net interest income was Ps. 55 million in the fourth quarter 2007 compared with Ps. 93 million in the third quarter 2007, due to larger cash balances during this year partly reflecting our recent capital increase in February 2007. At the same time, we registered an exchange loss of Ps. 35 million in the fourth quarter 2007 compared with an exchange gain of Ps. 29 million in the third quarter 2007. Simec recorded a loss from monetary position of Ps. 187 million in the fourth quarter 2007 compared to a loss from monetary position of Ps. 31 million in the third quarter 2007.

### Other Expenses (Income) net

The company recorded other income net of Ps. 24 million for the fourth quarter 2007 compared with other income net of Ps. 27 million for the third quarter 2007.

### Income Tax

Income Tax for the fourth quarter 2007 decreased Ps. 119 million compared to a provision of Ps. 199 million for the third quarter 2007.

### Net Profit

As a result of the foregoing, net profit decreased by 55% to Ps. 163 million in the fourth quarter 2007 from Ps. 365 million in the third quarter 2007.

### Comparative fourth quarter 2007 vs. fourth quarter 2006

#### Net Sales

Net sales increased 19% from Ps. 4,898 million for the fourth quarter 2006 compared with Ps. 5,824 million for the same period 2007. Sales in tons of finished steel increased 9% to 675 thousand tons in the fourth quarter 2007 compared with 622 thousand tons in the same period 2006. The total sales outside of Mexico for the fourth quarter 2007 increased 52% to Ps. 4,264 million compared with Ps. 2,813 million for the same period 2006. Total Mexican sales decreased 25% to 1,560 million in the fourth quarter 2007 from Ps. 2,085 millions in the same period 2006. Prices of finished products sold in the fourth quarter 2007 increased approximately 10% in real terms compared to the fourth quarter 2006.

#### Direct Cost of Sales

Direct cost of sales increased 32% from Ps. 4,106 million in the fourth quarter 2006 to Ps. 5,436 million for the same period 2007. With respect to sales, in the fourth quarter 2007, the direct cost of sales represents 93% compared to 84% for the same period 2006. The average cost of raw materials used to produce steel products increased 22% in real terms in the fourth quarter 2007 versus the fourth quarter 2006, primarily as a result of increases in the price of scrap and certain other raw materials.

#### Gross Profit

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Gross profit for the fourth quarter 2007 decreased 51% to Ps. 388 million compared to Ps. 792 million in the same period 2006. The gross profit as a percentage of net sales for the fourth quarter 2007 was 7% compared with 16% for the same period of 2006. The decline in gross profit is due to the increase in cost of goods sold due to the reasons previously mentioned.

### Operating Expenses

Operating expenses increased 12% to Ps. 352 million in the fourth quarter 2007 compared to Ps. 315 million for the same period 2006, the depreciation and amortization in the fourth quarter 2007 was Ps. 170 million compared to Ps. 119 million in the same period of 2006. Operating expenses as a percentage of net sales represented 6% during the fourth quarter 2007 compared to 6% of the same period 2006.

### Operating Profit

Operating profit decreased 92% from Ps. 477 million in the fourth quarter 2006 to Ps. 36 million for the same period 2007. The operating profit as a percentage of net sales in the fourth quarter 2007 was 1% compared to 10% in the same period 2006. The decline in operating profit is due to the increase in cost of goods sold due to the reasons previously mentioned.

### Comprehensive Financial Cost

Comprehensive financial cost for the fourth quarter 2007 represented an expense of Ps. 167 million compared with an expense of Ps. 54 million for the fourth quarter 2006. Net interest income was Ps. 55 million in the fourth quarter 2007 compared with Ps. 17 million in the fourth quarter 2006, due to larger cash balances during 2007 partly reflecting our recent capital increase in February 2007. At the same time we registered an exchange loss of Ps. 35 million in the fourth quarter 2007 compared with an exchange loss of Ps. 20 million in the fourth quarter 2006. Simec recorded a loss from monetary position of Ps. 187 million in the fourth quarter 2007 compared to a loss from monetary position of Ps. 51 million in the fourth quarter 2006.

### Other Expenses (Income) net

The company recorded other income net of Ps. 24 million for the fourth quarter 2007 compared with other income net of Ps. 11 million for the same period 2006.

### Taxes and Profit Sharing

Taxes and profit sharing for the fourth quarter 2007 decreased to Ps. 119 million compared to Ps. 247 million for the same period 2006.

### Net Profit

As a result of the foregoing, Simec recorded loss profit of Ps. 36 million in the fourth quarter 2007 compared to net profit of Ps. 187 million in the fourth quarter 2006.

|                     | Year ended<br>December 31,<br>2007 | Year ended<br>December 31,<br>2006 | 2007<br>vs<br>2006 |
|---------------------|------------------------------------|------------------------------------|--------------------|
| (Millions of pesos) |                                    |                                    |                    |
| Sales               | 24,106                             | 23,515                             | 3%                 |
| Cost of Sales       | 20,499                             | 19,132                             | 7%                 |
| Gross Profit        | 3,607                              | 4,383                              | -18%               |
| Operating Expenses  | 1,423                              | 1,351                              | 5%                 |
| Operating Profit    | 2,184                              | 3,032                              | -28%               |

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|                      |        |        |      |
|----------------------|--------|--------|------|
| EBITDA               | 2,733  | 3,481  | -21% |
| Net Profit           | 1,625  | 2,399  | -32% |
| Sales outside Mexico | 17,031 | 15,939 | 7%   |
| Sales in Mexico      | 7,075  | 7,576  | -7%  |
| Total sales (tons)   | 2,693  | 2,673  | 1%   |

| (Millions of pesos)  | 4Q'07 | 3Q'07 | 4Q'06 | 4Q'07 vs 3Q'07 | 4Q'07 vs 4Q'06 |
|----------------------|-------|-------|-------|----------------|----------------|
| Sales                | 5,824 | 5,737 | 4,898 | 2%             | 19%            |
| Cost of Sales        | 5,436 | 4,937 | 4,106 | 10%            | 32%            |
| Gross Profit         | 388   | 800   | 792   | -52%           | -51%           |
| Operating Expenses   | 352   | 354   | 315   | -1%            | 12%            |
| Operating Profit     | 36    | 446   | 477   | -92%           | -92%           |
| EBITDA               | 206   | 571   | 596   | -64%           | -65%           |
| Net Profit           | -36   | 365   | 187   | -110%          | -119%          |
| Sales outside Mexico | 4,264 | 4,038 | 2,813 | 6%             | 52%            |
| Sales in Mexico      | 1,560 | 1,699 | 2,085 | -8%            | -25%           |
| Total sales (tons)   | 675   | 635   | 622   | 6%             | 9%             |

|                  | Thousands of tons year ended December | Millions of pesos year ended December | Average price per ton year ended December | Thousands of tons year ended December | Millions of pesos year ended December | Average price per ton year ended December |
|------------------|---------------------------------------|---------------------------------------|---|---------------------------------------|---------------------------------------|---|
| Product          | 31,2007                               | 31,2007                               | 31,2007                                   | 31,2006                               | 31,2006                               | 31,2006                                   |
| SBQ              | 1,946                                 | 18,419                                | 9,465                                     | 1,941                                 | 18,050                                | 9,300                                     |
| Light Structural | 276                                   | 2,162                                 | 7,834                                     | 266                                   | 1,894                                 | 7,122                                     |
| Structural       | 216                                   | 1,752                                 | 8,112                                     | 204                                   | 1,632                                 | 7,998                                     |
| Rebar            | 250                                   | 1,703                                 | 6,810                                     | 260                                   | 1,909                                 | 7,343                                     |
| Others           | 5                                     | 70                                    | -   | 2                                     | 30                                    | -   |
| otal             | 2,693                                 | 24,106                                | 8,951                                     | 2,673                                 | 23,515                                | 8,797                                     |

| Product          | Thousands of tons 4Q'07 | Millions of pesos 4Q'07 | Average price per ton 4Q'07 |
|------------------|-------------------------|-------------------------|-----------------------------|
| SBQ              | 497                     | 4,524                   | 9,102                       |
| Light Structural | 59                      | 457                     | 7,754                       |
| Structural       | 45                      | 357                     | 7,930                       |
| Rebar            | 70                      | 456                     | 6,510                       |
| Others           | 4                       | 30                      | 0                           |
| Total            | 675                     | 5,824                   | 8,629                       |

| Product          | Thousands of tons 3Q'07 | Millions of pesos 3Q'07 | Average price per ton 3Q'07 |
|------------------|-------------------------|-------------------------|-----------------------------|
| SBQ              | 467                     | 4,438                   | 9,504                       |
| Light Structural | 60                      | 489                     | 8,143                       |
| Structural       | 50                      | 401                     | 8,011                       |
| Rebar            | 58                      | 388                     | 6,694                       |
| Others           | 0                       | 21                      | 0                           |
| Total            | 635                     | 5,737                   | 9,035                       |

| Product | Thousands of tons 4Q'06 | Millions of pesos 4Q'06 | Average price per ton 4Q'06 |
|---------|-------------------------|-------------------------|-----------------------------|
|---------|-------------------------|-------------------------|-----------------------------|

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|                  |     |       |       |
|------------------|-----|-------|-------|
| SBQ              | 459 | 3,685 | 8,029 |
| Light Structural | 51  | 371   | 7,270 |
| Structural       | 52  | 434   | 8,339 |
| Rebar            | 60  | 395   | 6,577 |
| Others           | 0   | 13    | 0     |
| Total            | 622 | 4,898 | 7,874 |

Any forward-looking information contained herein is inherently subject to various risks, uncertainties and assumptions which, if incorrect, may cause actual results to vary materially from those anticipated, expected or estimated. The company assumes no obligation to update any forward-looking information contained herein.

### MEXICAN STOCK EXCHANGE SIFIC / ICS

STOCK EXCHANGE CODE: SIMEC  
GRUPO SIMEC, S.A.B. DE C.V.

QUARTER: 4 YEAR: 2007

### FINANCIAL STATEMENT NOTES

AUDITED

CONSOLIDATED

(1) Operations preparation bases and summary of significant accounting policies:

Grupo Simec, S.A. de C.V. and its Subsidiaries ("the Company") are subsidiaries of Industrias CH, S.A.B. de C.V. ("ICH"), and their main activities consist of the manufacturing and sale of steel products primarily destined for the construction sector of Mexico and other countries.

Significant accounting policies and practices followed by the Companies which affect the principal captions of the financial statements are described below:

a. Financial statement presentation - The consolidated financial statements have been prepared in accordance with principles generally accepted in Mexico, which include the recognition of the effects of inflation on the financial information and the presentation in constant Mexican pesos.

b. Principles of Consolidation - As part of the financial debt restructuring agreement into during 1997, Compania Siderurgica de Guadalajara, S.A. de C.V. ("CSG") assumed all of the debt of the Company in return for an equity interest in its subsidiaries. As a result of the above, the Company is the principal shareholder of CSG, and CSG is the principal shareholder of the other subsidiaries that Grupo Simec, S.A. de C.V. ("Simec") controlled before the restructuring.

The main subsidiaries of CSG are the following:

- o (degree) Compania Siderurgica de California, S.A. de C.V.
- o (degree) Industrias del Acero y del Alambre, S.A. de C.V.
- o (degree) Pacific Steel Inc.
- o (degree) SimRep Corporation and PAV Republic and Subsidiaries

All significant intercompany balances and transactions have been eliminated in consolidation.

c. Cash and cash equivalents - The Company considers short-term investments with original maturities not greater than three months to be cash equivalent. Cash



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equivalents include temporary investments and Mexican Government Treasury Bonds, and are stated at market value, which approximates cost plus earned interest. Any increase in market value is credited to operations for the period.

d. Inventories - The inventories are originally stated at average cost and subsequently adjusted to replacement value at the balance sheet date. The replacement values do not exceed market and are determined as follows:

Billet finished goods and work in process - At the latest production cost for the month.

Raw materials - According to purchase prices prevailing in the market at the balance sheet date.

Materials, supplies and rollers - At historical cost, restated by applying the steel industry inflation index.

The Company presents as non-current inventories the rollers and spare parts, which according to historical data and production trends will not be used within a one-year period.

e.- Derivative financial instruments-- The Company is using derivative financial instruments for hedging risks associated with natural gas prices and conducted studies on historical consumption, future requirements and commitments; thus it avoided exposure to risks other than the normal operating risks. Management of the Company examines its financial risks by continually analyzing price, credit and liquidity risks.

The Company uses futures contracts for hedging risks from fluctuations in natural gas prices, which are based on demand and supply at the principal international markets.

As applicable, the Company recognized the fair value of instruments either as liabilities or assets. Such fair value and thus, the value of these assets or liabilities were restated at each month's-end. The Company opted for the early adoption of Bulletin C-10 "Derivative Financial Instruments and Hedging"; therefore, at December 31, 2003 the fair value of natural gas in force during 2004, 2005 and 2006 and which effective portions will not be offset against the asset risks until consumed, were recognized within the comprehensive income account in stockholders' equity.

f. Property, plant and equipment - Property, plant and equipment of domestic origin are restated by using factors derived from The National Consumer Price Index ("NCPI") from the date of their acquisition, and imported machinery and equipment are restated by applying devaluation and inflation factors of the country of origin. Depreciation recorded in the consolidated statement of income (loss) is computed based upon the estimated useful life and the restated cost of each asset. In addition, Financial expense incurred during the construction period is capitalized as construction in progress. The capitalized amounts are restated using a factor derived from the NCPI cumulative from the date of capitalization through period-end and are amortized over the average depreciation period of the corresponding assets. The estimated useful lives of assets as of December 31, 2007 are as follows:

|  | Years    |
|--|----------|
|  | -----    |
| Buildings.....                             | 15 to 50 |
| Machinery and equipment .....              | 10 to 40 |
| Buildings and improvements (Republic)..... | 10 to 25 |
| Land improvements (Republic).....          | 5 to 25  |

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Machinery and equipment (Republic)..... 5 to 20

g. Other assets - Organization and pre-operating expenses are capitalized and restated using a factor derived from the NCPI cumulative from the date of generation through period-end, and their amortization is calculated by the straight-line method over a period of 20 years.

h. Seniority premiums and severance payments - According to Federal Labor Law, employees are entitled to seniority premiums after fifteen years or more of services. These premiums are recognized as expenses in the years in which the services are rendered, using actuarial calculations based on the projected unit credit method, and since 1996 by applying real interest and salary increases.

Any other payments to which employees may be entitled in case of separation, disability or death, are charged to operations in the period in which they become payable.

i. Pension plan - Until 1995, the Company provided pension benefits for all personnel with a minimum of 10 years of service and 35 years of age. The Company had established an irrevocable trust for its contributions, which were based on actuarial calculations. In December 1995, the board of directors of the Company, in

agreement with the trade union, discontinued these benefits and related contributions to the trust fund. This decision was made because of the new Mexican pension fund system, Administradoras de Fondos para el Retiro, which establishes similar benefits for the employees. The balance of the trust fund will be applied to the retirement benefits of qualifying employees until the fund is exhausted due to the irrevocable status of the fund.

The Company does not have any contractual obligation regarding the payment of pensions of retirements.

j. Cost of sales - Cost of sales related to sales of inventory items is recorded at standard cost, which approximates the replacement cost at the date of sale.

k. Income tax and employee profit sharing - In 1999, the Mexican Institute of Public Accountants issued Bulletin D-4, "Accounting for Income and Asset Taxes and Employee Profit Sharing", which is effective for all fiscal years beginning January 1, 2000. Bulletin D-4 establishes financial accounting and reporting standards for the effects of asset tax, income tax and employee profit sharing that result from enterprise activities during the current and preceding years.

The Company and its subsidiaries are included in the consolidated tax returns of the company's parent.

l. Foreign currency transactions and exchange differences - All transactions in foreign currency are recorded at the exchange rates prevailing on the date of their execution or liquidation. Foreign currency denominated assets and liabilities are translated at the exchange rates prevailing at the balance sheet date. Any exchange differences incurred with regard to assets or liabilities denominated in foreign currency are charged to operations of the period and are included in financial income (expense) in the accompanying consolidated statements of income (loss).

For consolidation purposes, the financial statements of the subsidiaries abroad, SimRep and subsidiaries, Pacific Steel and Undershaft Investment, were translated into pesos in conformity with Mexican accounting Bulletin B-15, Transactions in Foreign Currency and Translation of Financial Statements of Foreign Operations.

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The subsidiary SimRep was considered as a foreign entity for translation purposes; therefore the financial statements as reported by the subsidiary abroad were adjusted to conform with Mexican GAAP, which includes the recognition of the effects of inflation as required by Mexican accounting Bulletin B-10, applying inflation adjustment factors derived from the U.S. Consumer Price Index (CPI) published by the U.S. labor department, The financial information already restated to include inflationary effects, is translated to Mexican pesos as follows:

-By applying the prevailing exchange rate at the consolidated balance sheet date for monetary and non-monetary assets and liabilities.

-By applying the prevailing exchange rate for stockholders' equity accounts, at the time capital contributions were made and earnings were generated.

-By applying the prevailing exchange rate at the consolidated balance sheet date for revenues and expenses during the reporting period.

-The related effect of translation is recorded in stockholders' equity under the caption Equity adjustments for non monetary assets.

-The resulting amounts were restated applying adjustment factors derived from the NCPI, in conformity with Mexican accounting Bulletin B-10.

The subsidiaries Pacific Steel and Undershaft Investment, were considered an "integral part of the operations" of the Company; and the financial statements of such subsidiaries were translated into Mexican pesos as follows:

By applying the prevailing exchange rate at the consolidated balance sheet date for monetary items. By applying the prevailing exchange rate at the time the non-monetary assets and capital are generated, and the weighted average exchange rate of the period for income statement items.

The related effect of translation is recorded in the statement of operations as part of the caption Comprehensive financing cost. The resulting amounts were restated applying adjustment factors derived from the Mexican NCPI, in conformity with Mexican accounting Bulletin B-10.

m. Geographic concentration of credit risk - The Company sells its products primarily to distributors for the construction industry with no specific geographic concentration. Additionally, no single customer accounted for a significant amount of the Company's sales, and there were no significant accounts receivable from a single customer or affiliate at December 31, 2007 and at December 31, 2007, direct sales to two customers accounted for approximately 10% and 16.6% of the Republic's sales. The Company performs evaluations of its customers' credit histories and establishes and allowance for doubtful accounts based upon the credit risk of specific customers and historical trends.

n. Other income (expenses) - Other income (expenses) shown in the consolidated statements of operations primarily includes other financial operations.

o. Gain on monetary position - The gain on monetary position in the consolidated statements of income (loss) is determined by applying to net monetary assets or liabilities at the beginning of each month the factor of inflation derived from the NCPI and is restated at period-end with the corresponding factor.

p. Restatement of capital stock and retained earnings (losses) - This is determined by multiplying capital stock contributions and retained earnings (losses) by factors derived from the NCPI, which measure the cumulative

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inflation from the date when capital stock contributions were made and earnings (losses) were generated, through the latest period-end.

q. Effect of restatement of stockholders' equity - The effect resulting from restating stockholders' equity includes the accumulated effect from holding non-monetary assets, which represents the change in the specific price level of those assets compared to the change in the NCPI.

### (2) Financial Debt:

At December 31, 2007 Simec's total consolidated debt consisted of U.S. \$302,000 of 8 7/8% medium-term notes ("MTN's") due 1998 (accrued interest at December 31, 2007 was U.S. \$363,703 dollars. At December 31, 2006, Simec's total consolidated debt consisted of U.S. \$302,000 of 8 7/8% medium-term notes ("MTN's") due 1998 (accrued interest at December 31, 2006 was U.S. \$336,525 dollars.

### (3) Commitments and contingent liabilities:

a. Pacific Steel, Inc. (a wholly-owned subsidiary located in the U.S.A.) has been named in various claims and suits relating to the generation, storage, transport, disposal and cleanup of materials classified as hazardous waste. The Company has accrued approximately Ps. 14,727 (U.S. \$1,355,297) at December 31, 2007, (included in accrued liabilities) relating to these actions; the reduction of this reserve from previous levels reflects clean-up activities undertaken by Simec. Management believes the ultimate liability with respect to this matter will not exceed the amounts that have been accrued.

b. The Company is subject to various other legal proceeding and claims, which have arisen, in the ordinary course of its business. It is the opinion of management that their ultimate resolution will not have a material adverse effect on the Company's consolidated financial position or consolidated results of operations.

### MEXICAN STOCK EXCHANGE SIFIC / ICS

STOCK EXCHANGE CODE: IMEC  
GRUPO SIMEC, S.A.B. DE C.V.

QUARTER: 4 YEAR:2007

### RELATIONS OF SHARES INVESTMENTS

AUDITED

CONSOLIDATED

| COMPANY NAME                   | MAIN ACTIVITIES                        | NUMBER OF SHARES |
|--------------------------------|--|------------------|
| -----                          |  |                  |
| SUBSIDIARIES                   |  |                  |
| -----                          |  |                  |
| Cia siderurgica de Guadalajara | Production of steel products           |                  |
| -----                          |  |                  |
| Simec International            | Production and sales of steel products |                  |
| -----                          |  |                  |
| Arrendadora Simec              | Production and sales of steel products |                  |
| -----                          |  |                  |

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|  |  |
|--|--|
| Controladora Simec                                   | Sub-Holding                            |
| Pacific Steel  | Scrap purchase                         |
| Cia. Siderurgica del Pacifico                        | Rent of land                           |
| Coordinadora de Servicios Siderurgicos de Calidad    | Administrative services                |
| Comercializadora Simec                               | Sales of steel products                |
| Industrias del Acero y del Alambre                   | Sales of steel products                |
| Procesadora Mexicali                                 | Scrap purchase                         |
| Servicios Simec                                      | Administrative services                |
| Sistemas de Transporte de Baja California            | Freight services                       |
| Operadora de Metales                                 | Administrative services                |
| Operadora de Servicios Siderurgicos de Tlaxcala      | Administrative services                |
| Administradora de Servicios Siderurgicos de Tlaxcala | Administrative services                |
| Operadora de Servicios de la Industria Siderurgica   | Administrative services                |
| SimRep   | Sub-Holding                            |
| PAV Republic   | Production and sales of steel products |
| CSG Comercial  | Sales of steel products                |
| Comercializadora de Aceros de Tlaxcala               | Sales of steel products                |
| Siderurgica de Baja California                       | Sales of steel products                |
| TOTAL INVESTMENT IN SUBSIDIARIES                     |  |
| ASSOCIATEDS  |  |
| TOTAL INVESTMENT IN ASSOCIATEDS                      |  |
| OTHER PERMANENT INVESTMENTS                          |  |
| TOTAL  |  |

NOTES

MEXICAN STOCK EXCHANGE  
SIFIC / ICS

STOCK EXCHANGE CODE: IMEC  
GRUPO SIMEC, S.A.B. DE C.V.

QUARTER: 4 YEAR:2007

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CREDITS BREAK DOWN  
(THOUSANDS OF MEXICAN PESOS)

AUDITED

CONSOLIDATED

| Credit Type / Institution    | Amortization Date | Rate of Interest | Denominated in Pesos (Thousands of Pesos) |              |               |               |               | Denominated           |              |
|------------------------------|-------------------|------------------|---|--------------|---------------|---------------|---------------|-----------------------|--------------|
|                              |                   |                  | Current Year                              | Until 1 Year | Until 2 Years | Until 3 Years | Until 4 Years | Until 5 Years or More | Current Year |
| BANKS                        |                   |                  |   |              |               |               |               |                       |              |
| With Warranty                |                   |                  | 0   | 0            | 0             | 0             | 0             | 0                     | 0            |
| TOTAL BANKS                  |                   |                  | 0   | 0            | 0             | 0             | 0             | 0                     | 0            |
| LISTED IN THE STOCK EXCHANGE |                   |                  |   |              |               |               |               |                       |              |
| UNSECURED DEBT               |                   |                  |   |              |               |               |               |                       |              |
| Medium Term Notes            | 15/12/1998        | 9.33             | 0   | 0            | 0             | 0             | 0             | 0                     | 0            |
| TOTAL STOCK EXCHANGE         |                   |                  | 0   | 0            | 0             | 0             | 0             | 0                     | 0            |
| SUPPLIERS                    |                   |                  |   |              |               |               |               |                       |              |

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|  |           |   |   |   |   |   |      |
|--|-----------|---|---|---|---|---|------|
| Various                                | 0 261,280 | 0 | 0 | 0 | 0 | 0 | 1,84 |
| TOTAL SUPPLIERS                        | 0 261,280 | 0 | 0 | 0 | 0 | 0 | 1,84 |
| OTHER LOANS WITH COST                  |           |   |   |   |   |   |      |
| TOTAL                                  | 0         | 0 | 0 | 0 | 0 | 0 | 0    |
| OTHER CURRENT LIABILITIES WITHOUT COST |           |   |   |   |   |   |      |
| Various                                | 0 177,936 | 0 | 0 | 0 | 0 | 0 | 50   |
| TOTAL                                  | 0 177,936 | 0 | 0 | 0 | 0 | 0 | 50   |
| TOTAL                                  | 0 439,216 | 0 | 0 | 0 | 0 | 0 | 2,34 |

NOTES: The exchange rate of the peso to the U.S. Dollar at December 31, 2007 was Ps. 10.8662

MEXICAN STOCK EXCHANGE  
SIFIC / ICS

STOCK EXCHANGE CODE: IMEC QUARTER: 4 YEAR:2007  
GRUPO SIMEC, S.A.B. DE C.V.

MONETARY FOREIGN CURRENCY POSITION  
(Thousands of Mexican Pesos)

AUDITED

| FOREING CURRENCY POSITION | DOLLARS              |                    | OTHER CURRENCIE      |         |
|---------------------------|----------------------|--------------------|----------------------|---------|
|                           | THOUSANDS OF DOLLARS | THOUSANDS OF PESOS | THOUSANDS OF DOLLARS | THOUS P |
| TOTAL ASSETS              | 758,115              | 8,237,831          | 0                    |         |

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|                                 |         |           |      |     |
|---------------------------------|---------|-----------|------|-----|
| LIABILITIES POSITION            | 216,080 | 2,347,980 | 34   | 3   |
| SHORT TERM LIABILITIES POSITION | 216,080 | 2,347,980 | 34   | 3   |
| LONG TERM LIABILITIES POSITION  | 0       | 0         | 0    |     |
| NET BALANCE                     | 542,035 | 5,889,851 | (34) | (3) |

NOTES

THE EXCHANGE RATE OF THE PESO TO THE U.S. DOLLAR AT DECEMBER 31, 2007 WAS  
PS. 10.8662

MEXICAN STOCK EXCHANGE  
SIFIC / ICS

STOCK EXCHANGE CODE: IMEC  
GRUPO SIMEC, S.A.B. DE C.V.

QUARTER: 4 YEAR:2007

RESULT FROM MONETARY POSITION  
(Thousands of Mexican Pesos)

AUDITED

| MONTH     | MONETARY ASSETS | MONETARY LIABILITIES | ASSET (LIABILITY) MONETARY POSITION | MONTH |
|-----------|-----------------|----------------------|-------------------------------------|-------|
| JANUARY   | 3,373,099       | 2,186,629            | (1,186,470)                         |       |
| FEBRUARY  | 3,663,966       | 1,510,290            | (2,153,676)                         |       |
| MARCH     | 6,158,413       | 1,425,766            | (4,732,647)                         |       |
| APRIL     | 6,425,075       | 2,204,991            | (4,220,084)                         |       |
| MAY       | 6,574,516       | 2,249,298            | (4,325,218)                         |       |
| JUNE      | 6,644,573       | 2,526,523            | (4,118,050)                         |       |
| JULY      | 6,889,513       | 2,504,376            | (4,385,138)                         |       |
| AUGUST    | 7,229,951       | 2,471,374            | (4,758,577)                         |       |
| SEPTEMBER | 7,449,185       | 2,522,922            | (4,926,263)                         |       |
| OCTOBER   | 7,414,411       | 2,505,795            | (4,908,616)                         |       |
| NOVEMBER  | 7,512,548       | 3,290,602            | (4,221,946)                         |       |



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-----  
DECEMBER 7,850,262 3,104,608 (4,745,654)  
-----

RESTATEMENT  
-----

CAPITALIZATION  
-----

FOREIGN CORPOPATION  
-----

OTHER  
-----

TOTAL  
-----  
-----

OTHER CONCEPTS:  
-----

CAPITALIZED RESULT FOR MONETARY POSITION  
-----

MEXICAN STOCK EXCHANGE  
SIFIC / ICS

STOCK EXCHANGE CODE: SIMEC  
GRUPO SIMEC, S.A.B. DE C.V.

QUARTER:4 YEAR: 2007

DEBT INSTRUMENTS

AUDITED

CONSOLIDATED

FINANCIAL LIMITED BASED IN ISSUED DEED AND/OR TITLE

MEDIUM TERM NOTES

- A) Current assets to current liabilities must be 1.0 times or more.
- B) Total liabilities to total assets do not be more than 0.60.
- C) Operating income plus items added to income which do not require using cash must be 2.0 times or more.

This notes was offered in the international market.

ACTUAL SITUATION OF FINANCIAL LIMITED

MEDIUM TERM NOTES

- A) Accomplished the actual situation is 5.05 times.
- B) Accomplished the actual situation is 0.24
- C) Accomplished the actual situation is 111.18

As of December 31, 2007, the remaining balance of the MTNs not exchanged amounts to Ps. 3,282 (\$302,000 dollars).

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C.P. Jose Flores Flores  
Chief Financial Officer

BONDS AND/OR MEDIUM TERM NOTES CERTIFICATE

MEXICAN STOCK EXCHANGE  
SIFIC / ICS

STOCK EXCHANGE CODE: SIMEC  
GRUPO SIMEC, S.A.B. DE C.V.

QUARTER:4 YEAR: 2007

PLANTS, COMMERCE CENTERS OR DISTRIBUTION CENTERS

AUDITED

| PLANT OR CENTER                    | ECONOMIC ACTIVITY                      | PLANT CAPACITY |
|------------------------------------|--|----------------|
| GUADALAJARA MINI MILL              | PRODUCTION AND SALES OF STEEL PRODUCTS | 480            |
| MEXICALI MINI MILL                 | PRODUCTION AND SALES OF STEEL PRODUCTS | 250            |
| INDUSTRIAS DEL ACERO Y DEL ALAMBRE | SALE OF STEEL PRODUCTS                 | 0              |
| APIZACO AND CHOLULA PLANTS         | PRODUCTION AND SALES OF STEEL PRODUCTS | 460            |
| CANTON CASTER FACILITY             | PRODUCTION OF BILLET                   | 1,380          |
| LORAIN CASTER FACILITY             | PRODUCTION OF BILLET                   | 1,150          |
| LORAIN HOT-ROLLING MILL            | PRODUCTION AND SALES OF STEEL PRODUCTS | 840            |
| LACKAWANNA HOT-ROLLING MILL        | PRODUCTION AND SALES OF STEEL PRODUCTS | 600            |
| MASSILLON COLD-FINISH FACILITY     | PRODUCTION AND SALES OF STEEL PRODUCTS | 125            |
| GARY COLD-FINISH FACILITY          | PRODUCTION AND SALES OF STEEL PRODUCTS | 70             |
| ONTARIO COLD-FINISH FACILITY       | PRODUCTION AND SALES OF STEEL PRODUCTS | 60             |

MEXICAN STOCK EXCHANGE  
SIFIC / ICS

STOCK EXCHANGE CODE: SIMEC  
GRUPO SIMEC, S.A.B. DE C.V.

QUARTER:4 YEAR: 2007

MAIN RAW MATERIALS

AUDITED

DOMESTIC

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| DOMESTIC      | MAIN SUPPLIERS | FOREIGN          | MAIN SUPPLIERS | SUBSTITUTION |
|---------------|----------------|------------------|----------------|--------------|
| PLANTS IN USA |                | SCRAP            | VARIOUS        | NO           |
| SCRAP         | VARIOUS        | PLANTS IN MEXICO |                | NO           |
| PLANTS IN USA |                | COKE             | VARIOUS        | NO           |
| PLANTS IN USA |                | PELLETS          | VARIOUS        | NO           |
| FERROALLOYS   | VARIOUS        | PLANTS IN MEXICO |                | YES          |
| PLANTS IN USA |                | FERROALLOYS      | VARIOUS        | NO           |
| ELECTRODES    | VARIOUS        | PLANTS IN MEXICO | VARIOUS        | YES          |
| PLANTS IN USA |                | ELECTRODES       | VARIOUS        | NO           |

MEXICAN STOCK EXCHANGE  
SIFIC / ICS

STOCK EXCHANGE CODE: SIMEC  
GRUPO SIMEC, S.A.B. DE C.V.

QUARTER:4 YEAR: 2007

SELLS DISTRIBUTION BY PRODUCT

CONSOLIDATED

| AUDITED                            | DOMESTIC SELLS |           |           |                  |
|------------------------------------|----------------|-----------|-----------|------------------|
|                                    | MAIN PRODUCTS  | NET SALES |           | MAIN DESTINATION |
|                                    |                | VOLUME    | AMOUNT    | TRADEMARKS       |
| STRUCTURAL PROFILES                |                | 188       | 1,528,851 |                  |
| COMMERCIAL PROFILES                |                | 81        | 618,226   |                  |
| REBAR                              |                | 168       | 1,155,065 |                  |
| FLAT BAR                           |                | 162       | 1,285,627 |                  |
| STEEL BARS                         |                | 299       | 2,417,309 |                  |
| OTHER                              |                | 2         | 57,797    |                  |
| BILLET                             |                | 3         | 12,392    |                  |
| HOT-ROLLED BARS                    |                |           |           |                  |
| COLD-FINISHED BARS                 |                |           |           |                  |
| SEMI-FINISHED SEAMLESS TUBE ROUNDS |                |           |           |                  |

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OTHER SEMI-FINISHED TRADE PRODUCTS

T O T A L 7,075,267

FOREIGN SALES 17,030,827

TOTAL 24,106,094

MEXICAN STOCK EXCHANGE  
SIFIC / ICS

STOCK EXCHANGE CODE: SIMEC  
GRUPO SIMEC, S.A.B. DE C.V.

QUARTER:4 YEAR: 2007

SELLS DISTRIBUTION BY PRODUCT

CONSOLIDATED

AUDITED

FOREIGN SELLS

| MAIN PRODUCTS                      | NET SELLS |            | TRADEMARKS |
|------------------------------------|-----------|------------|------------|
|                                    | VOLUME    | AMOUNT     |            |
| EXPORTS                            |           |            |            |
| STRUCTURAL PROFILES                | 28        | 223,417    |            |
| COMMERCIAL PROFILES                | 26        | 199,355    |            |
| REBAR                              | 82        | 547,494    |            |
| STEEL BARS                         | 36        | 298,349    |            |
| FLAT BAR                           | 7         | 58,956     |            |
| BILLET                             | 0         | 0          |            |
| FOREIGN SUBSIDIARIES               |           |            |            |
| HOT-ROLLED BARS                    | 920       | 9,577,814  |            |
| COLD-FINISHED BARS                 | 149       | 2,101,196  |            |
| SEMI-FINISHED SEAMLESS TUBE ROUNDS | 216       | 1,642,198  |            |
| OTHER SEMI-FINISHED TRADE PRODUCTS | 326       | 2,382,048  |            |
| T O T A L                          |           | 17,030,827 |            |

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MEXICAN STOCK EXCHANGE  
SIFIC / ICS

STOCK EXCHANGE CODE: SIMEC  
GRUPO SIMEC, S.A.B. DE C.V.

QUARTER:4 YEAR: 2007

CONSOLIDATED

INTEGRATION OF THE PAID SOCIAL CAPITAL STOCK  
CHARACTERISTICS OF THE SHARES

AUDITED

| SERIES | NOMINAL<br>VALUE | VALID<br>CUPON | NUMBER OF SHARES |                     |                             |
|--------|------------------|----------------|------------------|---------------------|-----------------------------|
|        |                  |                | FIXED PORTION    | VARIABLE<br>PORTION | MEXICAN<br>FREE SUSCRIPTION |
| B      |                  |                | 90,850,050       | 383,771,561         | 0 474,621,611               |
| TOTAL  |                  |                | 90,850,050       | 383,771,561         | 0 474,621,611               |

TOTAL NUMBER OF SHARES REPRESENTING THE PAID-IN CAPITAL STOCK ON THE DATE OF  
SENDING THE INFORMATION: 474,621,611

MEXICAN STOCK EXCHANGE  
SIFIC / ICS

STOCK EXCHANGE CODE: SIMEC  
GRUPO SIMEC, S.A.B. DE C.V.

QUARTER:4 YEAR: 2007

CONSTRUCTION IN PROGRESS

CONSOLIDATED

AUDITED

THE PROJECTS IN PROGRESS AT DECEMBER 31, 2007, ARE:

| PROJECTS IN PROGRESS                     | TOTAL INVESTMENT |
|--|------------------|
| PROJECTS IN REPUBLIC                     | 86,521           |
| PROJECTS IN MEXICALI                     | 88,236           |
| PROJECTS IN TLAXCALA                     | 4,193            |
| PROJECTS IN GUADALAJARA                  | 14,555           |
| TOTAL INVESTMENT AT<br>DECEMBER 31, 2007 | 193,505<br>===== |

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MEXICAN STOCK EXCHANGE  
SIFIC / ICS

STOCK EXCHANGE CODE: SIMEC  
GRUPO SIMEC, S.A.B. DE C.V.

QUARTER:4 YEAR: 2007

INFORMATION RELATED TO BULLETIN B-15  
(FOREIGN CURRENCY TRANSLATION)

CONSOLIDATED

Foreign currency transactions and exchange differences - All transactions in foreign currency are recorded at the exchange rates prevailing on the date of their execution or liquidation. Foreign currency denominated assets and liabilities are translated at the exchange rates prevailing at the balance sheet date. Any exchange differences incurred with regard to assets or liabilities denominated in foreign currency are charged to operations of the period and are included in financial income (expense) in the accompanying consolidated statements of income (loss).

The financial statements of foreign subsidiaries are translated into Mexican pesos in conformity with Bulletin B-15 "Transactions in Foreign Currency and Translation of Financial Statements of Foreign Operations".

Pacific Steel and Undershaft investments are considered to be "integrated foreign operations", as defined in Bulletin B-15, and accordingly such financial statements were translated as follows:

- Monetary items at the exchange rate at the balance sheet date.
- Non-monetary items and stockholders' equity at the exchange rate prevailing at the date the transactions occurred.
- Income and expense items at an appropriate average exchange rate.
- The resulting foreign currency translation differences are included in the financial income (expense) in the statement of income (loss).
- All resulting Mexican peso amounts are restated for the effects of inflation in accordance with the dispositions of Bulletin B-10 using the NCPI, where such effects are considered significant.

SimRep and subsidiaries are considered to be "foreign operations", as defined in Bulletin B-15, and accordingly such financial statements were translated as follows:

- Monetary and non-monetary items at the exchange rate at the balance sheet date.
- Income and expense items at the exchange rate at the balance sheet date.
- The resulting foreign currency translation differences are included in the stockholders' equity.
- All resulting Mexican peso amounts are restated for the effects of inflation in accordance with the dispositions of Bulletin B-10 using the NCPI, where such effects are considered significant.

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MEXICAN STOCK EXCHANGE  
SIFIC / ICS

STOCK EXCHANGE CODE: SIMEC  
GRUPO SIMEC, S.A.B. DE C.V.

QUARTER:4 YEAR: 2007

CONSOLIDATED

DECLARATION OF THE COMPANY OFFICIALS RESPONSIBLE  
FOR THE INFORMATION CONTAINED IN THIS REPORT.

LUIS GARCIA LIMON AND JOSE FLORES FLORES CERTIFY THAT BASED ON OUR KNOWLEDGE,  
THIS REPORT DOES NOT CONTAIN ANY UNTRUE STATEMENT OF A MATERIAL FACT OR OMIT TO  
STATE A MATERIAL FACT NECESSARY TO MAKE THE STATEMENTS MADE HEREIN, IN LIGHT OF  
THE CIRCUMSTANCES UNDER WHICH SUCH STATEMENTS WERE MADE, NOT MISLEADING WITH  
RESPECT TO THE PERIOD COVERED BY THIS FOURTH QUARTER REPORT.

ING LUIS GARCIA LIMON  
CHIEF EXECUTIVE OFFICER

C.P. JOSE FLORES FLORES  
CHIEF FINANCIAL OFFICER

GUADALAJARA, JAL, AT MAY 5 OF 2008.